

IRS News Release

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IRS Begins Accepting Applications for Qualifying Therapeutic Discovery Project Program

Program Open to Projects with Potential to Produce New, Cost-Saving Therapies

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WASHINGTON – The Internal Revenue Service today announced that small firms may now begin applying for certification for tax credits or grants available under the Qualifying Therapeutic Discovery Project Program, created by the Affordable Care Act.

These credits or grants are available for projects that show significant potential to produce new cost-saving therapies, create U.S. jobs, and increase U.S. competitiveness.

[Form 8942](#), Application for Certification of Qualified Investments Eligible for Credits and Grants Under the Qualifying Therapeutic Discovery Project Program, and its [instructions](#) are now available. Companies may submit applications for certification beginning today. Applications must be postmarked no later than July 21, 2010.

"This new tax credit was designed to promote medical research that could improve health and save lives," IRS Commissioner Doug Shulman said. "I encourage companies that are involved in this groundbreaking type of work to apply."

The qualifying therapeutic discovery project program is targeted to projects that show potential to produce new therapies, reduce long-term health care costs, or significantly advance the goal of curing cancer within the next 30 years.

The credit or grant covers up to 50 percent of the cost of qualifying biomedical research, up to a maximum credit of \$5 million per firm and \$1 billion overall, and is only available to firms with no more than 250 employees. Credits and grants are available for investments made in 2009 and 2010.

As part of the review process for research projects, the [Department of Health and Human Services \(HHS\)](#) will evaluate each project for its potential to produce new therapies, reduce long-term health care costs or cure cancer within 30 years. Only projects that show a reasonable potential to meet these goals will be certified as eligible for the credit or grant.

The IRS will issue certifications by the end of October, based on the determinations made by HHS. More information, including [questions and answers](#) on this program, can be found on the [Affordable Care Act](#) page of IRS.gov.